



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of) No. G 06-6
)
The Market Conduct Examination of) FINDINGS, CONCLUSIONS,
) AND ORDER ADOPTING REPORT
Pacific Northwest Title Insurance)
Company, Inc.) OF
) MARKET CONDUCT EXAMINATION
)
Authorized Domestic Title Insurer)
)

BACKGROUND

An examination of the market conduct of **Pacific Northwest Title Insurance Company, Inc.** (the Company) as of December 31, 2004 was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of Washington holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions and recommendations was transmitted to the Company for its comments on December 30, 2005.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 20 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Pacific Northwest Title Insurance Company, Inc.** and to order the Company to take the actions described in the Instructions and Recommendations sections of the report. The Commissioner acknowledges that the Company may have implemented the Instructions and Recommendations prior to the date of this order. The Instructions and Recommendations in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on page 17.

1. The Company is ordered to comply with RCW 48.19.040(1)-(6) and ensure that all policies are rated with the appropriate filed rate. The Company is further ordered to perform an audit on all policies issued in 2004 by the Seattle, Everett, and Spokane agencies to determine overcharged rates, and return all such premiums to the appropriate party. The results of this audit shall be reported to the OIC within 90 days of adoption of this report. The report will include proof of reimbursement to insureds of all overcharged premium. The Company will further establish an annual audit plan for all agencies. (Instruction 1, Page 17)
2. The Company is ordered to comply with RCW 48.18.140(2)(a)(d)(e) and (f) and ensure that all policies issued identify the premium. (Instruction 2, Page 17)
3. The Company is ordered to comply with WAC 284-30-340 and ensure that claim file log notes are complete and that outgoing correspondence is dated and that incoming correspondence is dated or date stamped. (Instruction 3, Page 17)
4. The Company is ordered to consider establishing written complaint handling procedures and a complaint log. (Recommendation 1, Page 17)
5. The Company is ordered to consider holding training sessions with agents addressing the requirements of Title 48 RCW and Title 284 WAC as they pertain to title company operations. (Recommendation 2, Page 17)

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 13th day of February, 2006.

A handwritten signature in black ink, appearing to read "Mike Kreidler", is written over the printed name.

MIKE KREIDLER
Insurance Commissioner